

SECURITY INFORMATION

TO: []
FROM: []

SUBJECT: RECOMMENDATIONS FOR [] []

15 SEPTEMBER 1952

Following discussions between members of BOB and based on the present glaring weaknesses of the KGruppe, certain conclusions have been reached:

1. The agreement negotiated between CIC and BOB in spring this year, granting CIC direct access to the Operations Officer of the KGruppe which had heretofore been denied them, should be abrogated in order to forestall indiscriminate use of the KGruppe by CIC. This we consider one of the main causes for the deterioration in the KGruppe's security.

2. It is our intention at this time to inaugurate a thorough-going study and probable reconstruction of the KGruppe in line with its principal mission: psychological warfare and resistance in the Eastern Zone of Germany. This will be carried out along lines similar to the investigation presently being undertaken with the Freedom Loving Jurists.

3. In order to avoid what we predict will be the probable frustration of negotiations at the BOB level, we strongly urge that [] in his capacity as coordinator of intelligence activities in Germany bring this matter to the attention of Colonel FORMEY, Commanding Officer of the 66th CIC, Stuttgart, requesting the latter's compliance with the above recommendations.

4. It should be stressed that pending above re-assessment of the KGruppe, CIC refrain in toto from all and sundry of their current activities with KGruppe.

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CENTRAL INTELLIGENCE AGENCY
SOURCE/METHOD/EXEMPTION 3020
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

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AIDE MEMOIRE

TO: []

SUBJECT: KAMPFORUPPE

In your discussions at Frankfurt Headquarters the following points should be made:

1. The rapid deterioration of the KGruppe's standing and performance, caused by recent security breaks and by political factors not as yet under control, calls for speedy and forceful action.
2. Our immediate objective is to forestall further intrusions on the part of German government agencies and to ward off any attempt on the part of the Germans to wrest control of the KGruppe from our hands.
3. Our long-range objective is a very thorough house-cleaning of the KGruppe. We shall endeavor to seal off possible penetrations by enemy services and to ensure American control over its psychological warfare and intelligence activities conducted in the Eastern Zone of Germany.
4. Concerning all authorized activities of the KGruppe, we shall aim to establish a workable system of accountability. This will put us in a more advantageous position from the point of view of foiling the DDR Security Service and of countering propagandistically and by diplomatic means claims and allegations that KGruppe personnel is engaging in acts of sabotage.
5. As far as KGruppe activities outside the strict purview of psychological warfare are concerned, we shall strive if possible to eliminate them altogether. If it should be determined that some of the intelligence work of the KGruppe is indispensable and that its discontinuation would seriously harm U. S. coverage of the Eastern Zone of Germany, we can at least attempt to contain it.
6. Containment will involve very delicate negotiations with CIC who claim to have an important equity in the intelligence collection potential of the KGruppe. We are in no position to take over CIC's intelligence assets in the KGruppe. CIC claims to use the facilities of the KGruppe mainly in support of its OB collection, a pursuit outside BOB's pale.

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7. As an immediate measure we shall suggest to CIC that the KGruppe will no longer be required to run intelligence operations into the Eastern Zone of Germany. In the East Zone the KGruppe will undertake only such activities that are in direct and exclusive support of its primary psychological warfare mission.

8. There will thus be an iron-clad rule placing intelligence and sabotage outside the KGruppe's pale. As a gambit we may concede not to interfere in the recruitment by CIC of East Zone residents reporting to the offices of the KGruppe, provided we can obtain the following assurances:

- a. recruitment cannot possibly be traced to the KGruppe,
- b. agents dispatched by CIC into the Eastern Zone of Germany will not be provided with a legend implying that they are working for the KGruppe.

We consider this an equitable proposition. It takes into account the special interests of CIC in maintaining its long-standing collaboration with the KGruppe.

9. In our opposition to the interlocking of intelligence and psychological warfare interests, we should be unyielding. If we have our way, no collection of intelligence and no acts of sabotage in the Eastern Zone of Germany will henceforth sail under the flag of the KGruppe. If Eastern propaganda media charge the KGruppe with such activities, we want to be in a position to deny the charges without engaging in painstaking and usual futile investigations of who did what to whom.

10. In our future dealings with CIC on the KGruppe, which are bound to be painful and which may impose a considerable strain upon relations between the two agencies, we would be greatly aided by a directive from [] stating in substance: that taking the KGruppe out of intelligence work is considered a first and indispensable prerequisite for the establishment of firm American control.

11. The other root cause of the KGruppe's decline has been its bad relationship with the SPD, centering on the person of its chief Ernst TILLICH, nominally a member of the SPD. TILLICH has been a thorn in the side of the SPD, a party which--frequently egged on by CIA--he has consistently flouted. I consider the SPD's complaint valid that a cold war agency, charged with the responsibility of stimulating resistance in the Eastern Zone, should not meddle in domestic politics. In particular it should steer clear of involvement in the struggle for power between CDU and SPD.

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12. I do not consider the breach between TILLICH and the SPD unhealable. I am convinced that the SPD could be prevailed upon to drop its adamant insistence upon TILLICH's removal, provided we can assure the SPD that the KGruppe will henceforth completely stay out of internal West German politics. With the fateful 1953 elections approaching, the SPD is bound to become increasingly sensitive toward all American sponsored, partisan moves. It would be more than futile to counter such charges by claiming that we do not control the political line of the KGruppe. We do--and the SPD knows it.

13. We envisage a rapprochement with the SPD in two phases: Assurance to the SPD that we as CIA have placed ourselves in effective control of all KGruppe affairs. In the light of the principle of nonattributability, this might appear as a reckless move. However, to disavow sponsorship would, under prevailing circumstances, be mockery. It would seriously militate against the success of our campaign to re-orient the SPD.

14. I would advise against a compromise solution, such as telling the SPD that we have been charged with the internal security aspects only. The SPD is much more concerned with extracurricular activities of the KGruppe in the West German political field than the quality of its resistance work in the East Zone. The play the SPD has been making about the recent show-trials in the Zone and general complaints about poor KGruppe management may be sincere, but they do not reflect an overriding concern of theirs.

15. I have started the first phase in talks with Herr Stefan Thomas of the Ostbureau and with Arno Scholz, editor of the Telegraf. Both proved understanding and constructive. Neither left any doubt that as far as the SPD is concerned, a thorough housecleaning in the KGruppe would help political rapprochement. Neither, significantly enough, raised the issue of American backing, except in the sense that they blamed us for the intransigence of TILLICH. (I could comment at length on the absolute necessity for peace between the KGruppe and the SPD. However, there now appears to be a complete meeting of minds between all concerned that this will have to be accomplished.)

16. The second phase as envisaged by us would be a more constructive one inasmuch as it would be primarily concerned with a full restoration of the psychological warfare potential of the KGruppe. When the time comes, we shall submit more detailed proposals. Suffice it to say that one of the possible solutions envisaged by us is the activation of a Supreme Resistance Council,

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headed by Mayor Reuter and staffed with representatives of all parties actively engaged in resistance work. This, however, is a far cry, and the more pressing needs of the situation are strictly of a restoration nature.

17. The most serious development with which we shall have to cope almost immediately is the investigation started by the Berlin Senate. It appears that a former employee of the KGruppe, one (fnu) MARTINI who recently quit the KGruppe and joined the staff of the Nordwestdeutsche Rundfunk, has made a deposition concerned with alleged sabotage activities of the KGruppe. This deposition is supposed to form the basis of a Senate-authorized investigation.

18. My recommendation is to head off the Senate investigation. This will have to be done on the highest level, i.e., by talking to Mayor Reuter. The argument would have to be presented in the following terms:

a. The KGruppe is being financed by the Ford Foundation.

b. The Ford Foundation has requested CIA to look after its interests, especially to make sure that the funds are being applied to the purpose for which they were meant, i.e., to create and keep alive resistance in the Eastern Zone.

c. CIA has reason for believing that the KGruppe engages in activities not authorized under its charter. For that reason, CIA, in line with the terms of the Ford grant, is forced to step in.

d. As a first step CIA proposes to perform a very thorough investigation of the KGruppe, covering the background and personal security of its key personnel, the soundness of the organizational structure, the exact scope and nature of the activities of KGruppe personnel in the Eastern Zone, the relation of the KGruppe to other agencies, the correctness of its financial management, to mention only a few of the more important headings.

e. In order to do a competent and complete job, CIA has to enlist the cooperation of the Berlin Senate. An important service can be rendered by making available to us all reports pertaining to the activities of the KGruppe (especially the Martini Report, but also material in the files of the Verfassungsschutz and the Berlin Police).

f. CIA in return will make available to the Senate through Reuter its findings and the recommendations drawn up on the basis of

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these findings. (The report would of course not include information pertaining to the KGruppe's relationship with CIA and CIC)

g. Pending completion of our report, which should take at the very outset two months, we would expect the Senate and all other state or federal agencies, to stand still, so as not to complicate a complicated situation even more. The argument that any washing of dirty linen in public would merely serve to give aid and comfort to the enemy is bound to leave an impression with Reuter and his associates.

h. Reuter may insist on TILLICH's removal as a condition sine qua none for neutrality. I would resist any such request, unless he or the SPD came up with the name of a man fully qualified to TILLICH's job. This will be very difficult because TILLICH, despite his personal and professional and shortcomings, is still by far the best man for the job, being endowed with an exceptional knack for psychological warfare work. At the same time we would have to make a determined attempt at palliating the SPD along lines indicated above. (I followed an identical tack line in my talks with Arno Scholz.) His vehement diatribes against TILLICH I countered with the request for suggesting adequate replacement. He was unable to suggest one. In protecting TILLICH, I believe we would be wise to share at least part of the blame. I see nothing wrong in stating that TILLICH's intransigence in part can be traced back to the counsel of his American contact (I am following here a suggestion made by [])

19. Please emphasize in your Frankfurt talks that MANDELSTAMM should commence his investigations at the earliest possible moment. A very thorough debriefing of [] would probably provide excellent background and would also facilitate our task immensely. We have every reason for believing that [] will cooperate fully.

20. We consider putting CAUTERY-1 into the KGruppe for a limited period of time in order to perform some investigations for us. There have been recurrent rumors accusing the KGruppe of extravagance and poor financial management. We want to get to the bottom of these rumors, and there is no better man than CAUTERY-1 to undertake the job. We also want an immediate check on the internal security of the KGruppe and concurrently gather the necessary biographical data to start a very detailed vetting job on KGruppe key personnel. There may be some raised eyebrows on the score of CAUTERY's political past, which we propose to ignore.

21. Please solicit the advice of Frankfurt Headquarters on the kind of cover I should use in my talks with TILLICH. Since I shall

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be talking to Reuter in my capacity as CIA representative, it would not make much sense to use a different cover vis a vis TILLICH. In these delicate negotiations consistency will be a virtue. CIA's involvement should certainly not be represented as a final shift in jurisdictional control, but as an emergency measure brought about by the serious deterioration in the KGruppe security. Under no circumstances should we concede or imply that TILLICH's permanent American contact is in any way connected with CIA. By all means possible we should pave the way for a future "notional" retirement of CIA. This will require very close coordination between [] and myself. Given such close coordination, I am not too concerned about certain minor inconsistencies in my cover. ?

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Para. par 18 shows is all wrong.

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